

July 31, 2002

J-U-B ENGINEERS, Inc.

ENGINEERS . SURVEYORS . PLANNERS

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Commission Secretary
Idaho Public Utilities Commission
P. O. Box 83720
Boise, Idaho 83720-0074

RE: Case No. GNR-E-02-1
IN THE MATTER OF THE INVESTIGATION
OF THE CONTINUED REASONABLENESS
OF CURRENT SIZE LIMITATIONS FOR
PURPA QF PUBLISHED RATE
ELIGIBILITY (i.e., 1 MW) AND
RESTRICTIONS ON CONTRACT LENGTH
(i.e., 5 YEARS).

Dear Commissioners:

I am a Vice President and Regional Manager for J-U-B ENGINEERS, Inc. (J-U-B), working out of our Twin Falls, Idaho office.

During the 1980's and early 1990's, J-U-B was one of the Idaho-based firms that provided professional engineering services for over fifty (50) PURPA, QF hydroelectric projects. Our services consisted of licensing, design, construction engineering, and operation assistance. Many of those projects were built and have been on line for going on 20 years. They have proven, contrary to misinformation, to be reliable and cost competitive.

J-U-B also has been involved in providing engineering services for over twenty (20) large dairies in Southern Idaho. Many of the dairy owners have been very interested in producing electricity utilizing methane gas from anaerobic digesters. This would be beneficial for manure management as well as <u>odor</u> control. Producing and selling electricity from these facilities could help defray the construction and operation cost, and solve <u>critical environmental problems</u>.

In Southern Idaho there is probably up to 80 megawatts of capacity that is still available on seasonal irrigation canal systems. This capacity would be environmentally benign and possibly could qualify for low impact hydropower institute certification. This could allow the power to meet green energy requirements. Peak power production of the canal system projects is at high power demand periods in the summer. This is very positive for the Idaho Power grid. The canal companies and districts benefit significantly by having hydropower projects on their canals. This allows them to make improvements to their



system and become better water managers. Better management of irrigation water would be beneficial to the Snake River.

I am very encouraged that the Idaho Public Utilities Commission (IPUC) has addressed the power contract terms (20 years) and project size (10 Mw). Now, however, it is necessary that an average rate of 6 to 6.5 cents per Kwhr be established for the above referenced projects to become reality.

The QF industry is good for Idaho and ratepayers, as well as providing economic development in an environmentally sound way. The industry needs a level playing field and the IPUC can make that happen. We would encourage the IPUC to revitalize the QF industry which will be beneficial to the State of Idaho, by establishing average rates of 6 to 6.5 cents per Kwhr

I appreciate your consideration and hope that the favorable rates will be approved by the Idaho Public Utilities Commission.

Please call me at (208) 733-2414 if you have any questions or would like to discuss my comments.

Sincerely,

J-U-DENGINEERS, Inc.

D. W. "Bill" Block, P.E.

Regional Manager

cc: Governor Dirk Kempthorne

R. Blair Strong, Avista Corporation

Mark Widmer, Pacificorp

John M. Eriksson, Pacificorp

Barton L. Kline, Idaho Power Company